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CENTRAL INTELLIGENCE AGENCY

18 February 1960

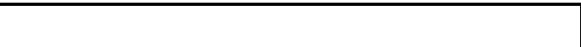
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MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Cyprus Problem



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1. Contention over the size of British bases has forced a postponement of Cypriot independence. The lack of agreement has led to occasional despair of reconciliation in some quarters,  and to a certain amount of fear that Cyprus will again face the gloomy situation preceeding the London-Zurich agreements of early 1959.

2. We acknowledge the possibility that things could go seriously wrong, and in any case it is clear that independence will be delayed well beyond the February 1960 date considered probable when NIE 32.5-59 (The Outlook For an Independent Cyprus) was published in October 1959. We continue to believe, however, that chances are in favor of some compromise of present differences, at least so long as the interested parties remain willing to continue talks. We think it probable that present positions on both sides involve some latitude for last minute bargaining,

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and that mutual fears of the consequences of failure are likely to produce some reasonably satisfactory adjustment. In the meantime, the existing estimate remains a valid assessment of the prospects once independence is achieved.

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